

|                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                    |                                                                                                                                                                                       |                                                                                                                                                                   |                                                                                                                                        |                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Submit To Appropriate District Office<br>State Lease - 6 copies<br>Fee Lease - 5 copies<br>District I<br>1625 N. French Dr., Hobbs, NM 88240<br>District II<br>1301 W. Grand Avenue, Artesia, NM 88210<br>District III<br>1000 Rio Brazos Rd., Aztec, NM 87410<br>District IV<br>1220 S. St. Francis Dr., Santa Fe, NM 87505                                                                                                                     |                    | <b>State of New Mexico</b><br><b>Energy, Minerals and Natural Resources</b><br><br><b>Oil Conservation Division</b><br><b>1220 South St. Francis Dr.</b><br><b>Santa Fe, NM 87505</b> |                                                                                                                                                                   | <b>Form C-105</b><br>Revised June 10, 2003                                                                                             |                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                    | WELL API NO.<br>30-015-35674                                                                                                                                                          |                                                                                                                                                                   | 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/><br>State Oil & Gas Lease No. V-302 |                                      |
| <b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>                                                                                                                                                                                                                                                                                                                                                                                            |                    |                                                                                                                                                                                       |                                                                                                                                                                   |                                                                                                                                        |                                      |
| 1a. Type of Well:<br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____<br><br>b. Type of Completion:<br>NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/><br>WELL OVER BACK RESVR <input type="checkbox"/> OTHER _____                                    |                    |                                                                                                                                                                                       |                                                                                                                                                                   | 7. Lease Name or Unit Agreement Name<br><br><div style="text-align: center; font-size: 2em;">S</div> State "2"                         |                                      |
| 2. Name of Operator<br><div style="text-align: right; font-weight: bold;">MAR 24 2008</div> Reef Exploration, L.P.                                                                                                                                                                                                                                                                                                                               |                    |                                                                                                                                                                                       |                                                                                                                                                                   | 8. Well No.<br><div style="text-align: right;">#002</div>                                                                              |                                      |
| 3. Address of Operator<br><div style="text-align: right; font-weight: bold;">OCD-ARTESIA</div> 1901 N Central Expressway, Suite 300, Richardson, Texas 75080                                                                                                                                                                                                                                                                                     |                    |                                                                                                                                                                                       |                                                                                                                                                                   | 9. Pool name or Wildcat<br>Livingston Ridge, Delaware, SE                                                                              |                                      |
| 4. Well Location<br><br>Unit Letter <u>C</u> : <u>660</u> Feet From The <u>North</u> Line and <u>1980</u> Feet From The <u>West</u> Line<br><br>Section <u>2</u> Township <u>23S</u> Range <u>31E</u> NMPM Eddy County                                                                                                                                                                                                                           |                    |                                                                                                                                                                                       |                                                                                                                                                                   |                                                                                                                                        |                                      |
| 10. Date Spudded<br>09-06-2007                                                                                                                                                                                                                                                                                                                                                                                                                   |                    | 11. Date T.D. Reached<br>9/19/2007                                                                                                                                                    |                                                                                                                                                                   | 12. Date Compl. (Ready to Prod.)<br>10/31/2007                                                                                         |                                      |
| 13. Elevations (DF& RKB, RT, GR, etc.)<br>3453 KB                                                                                                                                                                                                                                                                                                                                                                                                |                    | 14. Elev. Casinghead<br>3431.5                                                                                                                                                        |                                                                                                                                                                   | 15. Total Depth<br>8515                                                                                                                |                                      |
| 16. Plug Back T.D.<br>8444                                                                                                                                                                                                                                                                                                                                                                                                                       |                    | 17. If Multiple Compl. How Many Zones?<br>N/A                                                                                                                                         |                                                                                                                                                                   | 18. Intervals Drilled By<br>Rotary Tools X Cable Tools                                                                                 |                                      |
| 19. Producing Interval(s), of this completion - Top, Bottom, Name<br>SEE ATTACHED                                                                                                                                                                                                                                                                                                                                                                |                    |                                                                                                                                                                                       |                                                                                                                                                                   |                                                                                                                                        | 20. Was Directional Survey Made<br>- |
| 21. Type Electric and Other Logs Run<br>Spectral Density, Dual Spaced Neutron Log, Dual Density Laterolog, Micro-Guard, Radial Cement Bond, CCL, GR Log                                                                                                                                                                                                                                                                                          |                    |                                                                                                                                                                                       |                                                                                                                                                                   |                                                                                                                                        | 22. Was Well Cored<br>-              |
| <b>23. CASING RECORD (Report all strings set in well)</b>                                                                                                                                                                                                                                                                                                                                                                                        |                    |                                                                                                                                                                                       |                                                                                                                                                                   |                                                                                                                                        |                                      |
| CASING SIZE                                                                                                                                                                                                                                                                                                                                                                                                                                      | WEIGHT LB./FT.     | DEPTH SET                                                                                                                                                                             | HOLE SIZE                                                                                                                                                         | CEMENTING RECORD                                                                                                                       | AMOUNT PULLED                        |
| 13 3/8                                                                                                                                                                                                                                                                                                                                                                                                                                           | 48#                | 699                                                                                                                                                                                   | 17 1/2                                                                                                                                                            |                                                                                                                                        |                                      |
| 8 5/8                                                                                                                                                                                                                                                                                                                                                                                                                                            | 32#                | 4445                                                                                                                                                                                  | 11                                                                                                                                                                |                                                                                                                                        |                                      |
| 5 1/2                                                                                                                                                                                                                                                                                                                                                                                                                                            | 17#                | 8566                                                                                                                                                                                  | 7 7/8                                                                                                                                                             |                                                                                                                                        |                                      |
| <b>24. LINER RECORD</b>                                                                                                                                                                                                                                                                                                                                                                                                                          |                    |                                                                                                                                                                                       |                                                                                                                                                                   |                                                                                                                                        |                                      |
| SIZE                                                                                                                                                                                                                                                                                                                                                                                                                                             | TOP                | BOTTOM                                                                                                                                                                                | SACKS CEMENT                                                                                                                                                      | SCREEN                                                                                                                                 |                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                    |                                                                                                                                                                                       |                                                                                                                                                                   |                                                                                                                                        |                                      |
| <b>25. TUBING RECORD</b>                                                                                                                                                                                                                                                                                                                                                                                                                         |                    |                                                                                                                                                                                       |                                                                                                                                                                   |                                                                                                                                        |                                      |
| SIZE                                                                                                                                                                                                                                                                                                                                                                                                                                             | DEPTH SET          | PACKER SET                                                                                                                                                                            |                                                                                                                                                                   |                                                                                                                                        |                                      |
| 2 7/8"                                                                                                                                                                                                                                                                                                                                                                                                                                           | 8566'              | TAC @ 5785'                                                                                                                                                                           |                                                                                                                                                                   |                                                                                                                                        |                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                    |                                                                                                                                                                                       | SN @ 5975'                                                                                                                                                        |                                                                                                                                        |                                      |
| 26. Perforation record (interval, size, and number)<br><br>SEE ATTACHMENT                                                                                                                                                                                                                                                                                                                                                                        |                    |                                                                                                                                                                                       | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.<br>DEPTH INTERVAL      AMOUNT AND KIND MATERIAL USED<br><br><div style="text-align: center;">See Attachment</div> |                                                                                                                                        |                                      |
| <b>PRODUCTION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |                                                                                                                                                                                       |                                                                                                                                                                   |                                                                                                                                        |                                      |
| Date First Production<br>10/31/2007                                                                                                                                                                                                                                                                                                                                                                                                              |                    | Production Method (Flowing, gas lift, pumping - Size and type pump)<br>Pumping RXBC 24-5                                                                                              |                                                                                                                                                                   | Well Status (Prod. or Shut-in)<br>Producing                                                                                            |                                      |
| Date of Test<br>10/31/2007                                                                                                                                                                                                                                                                                                                                                                                                                       | Hours Tested<br>24 | Choke Size<br>N/A                                                                                                                                                                     | Prod'n For Test Period                                                                                                                                            | Oil - Bbl<br>12                                                                                                                        | Gas - MCF<br>30                      |
| Flow Tubing Press.<br>150                                                                                                                                                                                                                                                                                                                                                                                                                        |                    | Casing Pressure<br>50                                                                                                                                                                 | Calculated 24-Hour Rate                                                                                                                                           | Oil - Bbl<br>12                                                                                                                        | Gas - MCF<br>30                      |
| Water - Bbl<br>220                                                                                                                                                                                                                                                                                                                                                                                                                               |                    | Oil Gravity - API - (Corr.)<br>37.5                                                                                                                                                   |                                                                                                                                                                   |                                                                                                                                        |                                      |
| 29. Disposition of Gas (Sold, used for fuel, vented, etc.)<br>Sold                                                                                                                                                                                                                                                                                                                                                                               |                    |                                                                                                                                                                                       |                                                                                                                                                                   |                                                                                                                                        | Test Witnessed By<br>Ronald M. Sentz |
| 30. List Attachments<br><br>Copy of Deviation Report (Original Deviation report and Logs sent Overnight on 12/14/2007), Water Analysis                                                                                                                                                                                                                                                                                                           |                    |                                                                                                                                                                                       |                                                                                                                                                                   |                                                                                                                                        |                                      |
| 31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief<br><div style="display: flex; justify-content: space-between;"> <div>           Signature: <br/>           Printed Name: Jose L. Velez<br/>           E-mail Address: jose@reefogc.com         </div> <div>           Department: Regulatory Affairs<br/>           Date: 3/20/2008         </div> </div> |                    |                                                                                                                                                                                       |                                                                                                                                                                   |                                                                                                                                        |                                      |

# INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

## INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

| Southeastern New Mexico |                  | Northwestern New Mexico |                  |
|-------------------------|------------------|-------------------------|------------------|
| T. Anhy                 | T. Canyon        | T. Ojo Alamo            | T. Penn. "B"     |
| T. Salt                 | T. Strawn        | T. Kirtland-Fruitland   | T. Penn. "C"     |
| B. Salt                 | T. Atoka         | T. Pictured Cliffs      | T. Penn. "D"     |
| T. Yates                | T. Miss          | T. Cliff House          | T. Leadville     |
| T. 7 Rivers             | T. Devonian      | T. Menefee              | T. Madison       |
| T. Queen                | T. Silurian      | T. Point Lookout        | T. Elbert        |
| T. Grayburg             | T. Montoya       | T. Mancos               | T. McCracken     |
| T. San Andres           | T. Simpson       | T. Gallup               | T. Ignacio Otzte |
| T. Glorieta             | T. McKee         | Base Greenhorn          | T. Granite       |
| T. Paddock              | T. Ellenburger   | T. Dakota               | T.               |
| T. Blinebry             | T. Gr. Wash      | T. Morrison             | T.               |
| T. Tubb                 | T. Delaware Sand | T. Todilto              | T.               |
| T. Drinkard             | T. Bone Springs  | T. Entrada              | T.               |
| T. Abo                  | T.               | T. Wingate              | T.               |
| T. Wolfcamp             | T.               | T. Chinle               | T.               |
| T. Penn                 | T.               | T. Permian              | T.               |
| T. Cisco (Bough C)      | T.               | T. Penn "A"             | T.               |

## OIL OR GAS SANDS OR ZONES

No. 1, from.....6866.....to.....6877.....      No. 3, from.....8008 .....to.....8078.....  
 No. 2, from.....7681.....to.....7700 .....      No. 4, from.....8170 .....to.....8206 .....

## IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....  
 No. 2, from.....to.....feet.....  
 No. 3, from.....to.....feet.....

## LITHOLOGY RECORD (Attach additional sheet if necessary)

| From | To   | Thickness<br>In Feet | Lithology                         | From | To | Thickness<br>In Feet | Lithology |
|------|------|----------------------|-----------------------------------|------|----|----------------------|-----------|
| 0    | 180  | 180                  | Shaly sand                        |      |    |                      |           |
| 180  | 380  | 200                  | Sand                              |      |    |                      |           |
| 380  | 580  | 200                  | Shaly sand                        |      |    |                      |           |
| 580  | 860  | 280                  | Anhydritic sandy dolomite         |      |    |                      |           |
| 860  | 1060 | 200                  | Anhydritic sandy dolomite         |      |    |                      |           |
| 1060 | 2840 | 1780                 | Salt w/anhydrite stringers        |      |    |                      |           |
| 2840 | 4550 | 1710                 | Banded limey anhydrite            |      |    |                      |           |
| 4550 | 4600 | 50                   | Limestone                         |      |    |                      |           |
| 4600 | 4650 | 50                   | Limestone                         |      |    |                      |           |
| 4650 | 5277 | 627                  | Shaly sand, limey sand base       |      |    |                      |           |
| 5277 | 5352 | 75                   | Sandy dolomite                    |      |    |                      |           |
| 5352 | 7294 | 1942                 | Shaly sand                        |      |    |                      |           |
| 7294 | 8312 | 1028                 | Cleaner sand, some clay/shale     |      |    |                      |           |
| 8312 | 8450 | 138                  | Limestone & limey shale stringers |      |    |                      |           |

**19. PRODUCING INTVERAL(s) (Top, Bottom, Name)**

| <b>Top</b> | <b>Bottom</b> | <b>Name</b>         |
|------------|---------------|---------------------|
| 6866       | 6877          | Lower Brushy Canyon |
| 7681       | 7700          | Lower Brushy Canyon |
| 8008       | 8078          | Lower Brushy Canyon |
| 8170       | 8206          | Lower Brushy Canyon |

**26. PERFORATION RECORD (Intervals, size, and number)**

| <b>Interval</b>                                                 | <b>Size</b> | <b>Number (SPF)</b> |
|-----------------------------------------------------------------|-------------|---------------------|
| 6866'-6877'                                                     | .38         | 2                   |
| 7681'-7688', 7698'-7700'                                        | .38         | 2                   |
| 8008'-8011', 8019'-8023', 8027'-8030', 8033'-8038', 8076'-8078' | .38         | 1                   |
| 8170'-8173', 8180'-8186', 8200'-8206'                           | .38         | 1                   |

**27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.**

| <b>DEPTH INTERVAL</b> | <b>AMOUNT AND KIND MATERIAL USED</b>                                                             |
|-----------------------|--------------------------------------------------------------------------------------------------|
| 6866-6877             | 12,500 gals SilverStim LT Basic (13) w/ 28,000#, 16/30 Mesh Arizona Sand coated w/ Expedite Lite |
| 7681-7700             | 19,500 gals SilverStim LT Basic (13) w/ 42,000#, 16/30 Mesh Arizona Sand coated w/ Expedite Lite |
| 8008-8078             | 28,000 gals SilverStim LT Basic (11) w/ 50,000#, 16/30 Mesh Ottawa Sand w/ Expedite Lite         |
| 8170-8206             | 28,000 Gals SilverStim LT Basic w/ 50,000#, 16/30 Mesh Ottawa Sand Coated w/ Expedite Lite       |

# State "2" #2 Deviation Record

Deviation Record  
Type Run: Teledrift  
WLS

| Depth |         | Angle |
|-------|---------|-------|
| 350   | WLS     | 1/2°  |
| 650   | Dropped | 1/2°  |
| 1,059 | Tele    | 1/2°  |
| 1,501 | Tele    | 1/2°  |
| 1,995 | Tele    | 1/2°  |
| 2,387 | Tele    | 1/2°  |
| 2,830 | Tele    | 1/2°  |
| 3,273 | Tele    | 1/2°  |
| 3,478 | Totco   | 1/2°  |
| 3,732 | WLS     | 1/2°  |
| 4,175 | Tele    | 2°    |
| 4,445 | Totco   | 2°    |
| 4,641 | Tele    | 1/2°  |
| 5,085 | Tele    | 1/2°  |
| 5,528 | Tele    | 1°    |
| 5,960 | Tele    | 1/2°  |
| 6,375 | Tele    | 1/2°  |
| 6,851 | Tele    | 1°    |
| 7,301 | Tele    | 1/2°  |
| 7,713 | Tele    | 1/2°  |
| 8,155 | Tele    | 1/2°  |
| 8,420 | Dropped | 1     |